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7 UNITED STATES BANKRUPTCY COURT  
8 NORTHERN DISTRICT OF CALIFORNIA  
9 SAN JOSE DIVISION

10 In re: Case No. 09-61196  
11 SANTA CLARA SQUARE, LLC, Chapter 11  
12 Debtor.

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14 **APPLICATION FOR APPOINTMENT OF SPECIAL**  
15 **COUNSEL AND APPOINTING ROSSI, HAMERSLOUGH,**  
16 **REISCHL, AND CHUCK AS SPECIAL COUNSEL FOR DEBTOR**

17 This application of debtor above-named respectfully represents:

18 1. Santa Clara Square, LLC (“Debtor” or “Applicant”) filed with this Court its petition under  
Chapter 11 of Title 11 USC commencing this reorganization case December 21, 2009.

19 2. In connection with its proposed Chapter 11 Plan, which will be filed on or before March  
20 21, 2010, Debtor will be seeking to sell, develop, lease and/or refinance the commercial real property  
21 which constitutes Debtor’s primary asset (or some combination of these alternatives). In connection  
22 with these efforts Debtor has been seeking, and has received, multiple offers which include various  
23 alternatives for the sale, development, and other related business opportunities which involve the  
24 property. Given that the Plan will be filed imminently, Debtor seeks the expeditious appointment of  
25 special counsel as detailed herein.

26 3. The real property which constitutes the Debtor’s primary asset is a large piece of

1 commercial real property located in Santa Clara, California. The Property is configured as a  
2 shopping center, and consists a total of 138,915 square feet on 12.59 acres of land (the "Property").  
3 The property is valued at a minimum of \$19,000,000, and there exists a secured claim of  
4 approximately \$14,500,000. The Property is occupied by three commercial tenants, but its  
5 maximum potential may be as a development property. Debtor has explored, both recently and  
6 during the pre-petition period, alternatives for developing the Property. These efforts were made to  
7 evaluate whether the Debtor itself would develop the Property as part of the Chapter 11 Plan, or  
8 alternatively whether the Debtor would obtain entitlements to make the Property more attractive to  
9 prospective purchasers.

10 4. In connection with the current offers for sale, Debtor has been presented with multiple  
11 offers for purchase and letters of intent from potential purchasers. One prospective purchaser has  
12 also presented Debtor with a detailed proposed Purchase and Sale Agreement. The Purchase and  
13 Sale Agreement is a detailed contract which involves specific issues involving real estate law  
14 (including terms regarding purchase, development, buyback options, and other related matters).

15 5. Debtor seeks appointment of special counsel to assist Debtor with the evaluation of the  
16 offers for purchase, letters of intent, and purchase and sale agreements. Debtor submits that special  
17 counsel with real estate expertise is necessary because the Chapter 11 Plan will propose the sale,  
18 development, leasing and/or refinance of the Property; the significant value and development  
19 opportunities involve terms and legal analysis specific to real estate law; and the assistance of special  
20 counsel is necessary to allow Debtor to properly and fully evaluate each offer and contract proposed  
21 to Debtor.

22 6. Debtor further seeks the assistance of special counsel to evaluate potential claims against  
23 the secured creditor during the pre-petition period. In particular, Debtor received four prior offers  
24 for the purchase of the Property during the pre-petition period. However, Debtor is informed and  
25 believes that three of the pre-petition sales did not close because, after learning of the potential  
26 purchasers, the Bank was approaching those potential buyers and offering to sell the note at a

1 discounted price in lieu of the purchaser proceeding with the sale with Debtor. Thus, several  
2 prospective buyers indicated to the Debtor that they would not proceed with the purchase of the  
3 Property because, rather than buying the Property, the buyers could purchase the note from the bank  
4 for a price far less than the asking price for the Property (and presumably the buyer would then  
5 proceed to foreclosure). This, in turn, also significantly drove down each subsequent offering price.  
6 Debtor is therefore evaluating the existence of claims, if any, against the bank for this conduct and  
7 seeks the advice of specialized real estate counsel for such purpose.

8         7. For the foregoing reasons, Applicant desires the employment of the law firm of Rossi,  
9 Hamerslough, Reischl, and Chuck, 1960 The Alameda, Suite 200, San Jose, California 95126, (408)  
10 261-4252 ("Counsel"), and in particular Samuel Chuck, as special counsel for debtor and debtor-in-  
11 possession herein. Applicant desires such appointment of special counsel for the reason that Counsel  
12 are skilled and specialize in real estate related matters and have special knowledge enabling Counsel  
13 to perform services of special benefit to Applicant. Counsel contemplates that Mr. Chuck will be the  
14 primary attorney working on this matter. Mr. Chuck's hourly rate is \$395 per hour. Debtor shall  
15 also pay approved filing fees and costs incurred as approved by the Court.

16         8. Mr. Chuck (SBN 155326) was admitted to the California Bar in 1991. Mr. Chuck  
17 specializes in real estate and business matters, and has extensive experience in both commercial and  
18 residential development transactions, including negotiation of purchase and sale agreements,  
19 obtaining entitlements, coordinating and documenting development agreements, and related matters.  
20 Mr. Chuck is also an experienced litigator and has significant experience in real estate litigation. A  
21 copy of Mr. Chuck's resume is attached to this Application.

22         9. Counsel previously represented Debtor during the pre-petition period with respect to the  
23 same matters specified above, and is therefore familiar with the Debtor, the Property, and the status  
24 of the reorganization efforts which involve the Property. Counsel also represented Debtor in a  
25 dispute with a former prospective purchaser, Urban Dynamic, which failed to consummate a  
26 proposed sale and sought to obtain return of a deposit. Urban Dynamic filed suit against Debtor pre-

1 petition with respect to the deposit and related issues. The dispute with Urban Dynamic is now  
2 before this Court because Urban Dynamic has filed a Proof of Claim. Applicant believes that Urban  
3 Dynamic had filed a lis pendens, but that the lis pendens has been withdrawn.

4 10. Counsel has also represented other entities which are managed by Alpha Investments &  
5 Property Management (the management company which manages Debtor's Property, and which is  
6 owned by Albert Wang, a member of Debtor). Some of the entities which Mr. Chuck has  
7 represented are owned, in part, by member(s) of Debtor. Those representations are separate and  
8 distinct from the present representation, and the other matters have no involvement with this  
9 bankruptcy case. Further, the prior representations are complete, with the exception of one dispute  
10 with a tenant of an apartment building managed by Alpha Investments & Property Management. As  
11 such, no conflicts exist between Debtor and Counsel.

12 11. To the best of Applicant's knowledge, the counsel whom Applicant seeks to employ have  
13 no interest adverse to the debtor and have no connection with the debtor, its creditors, persons  
14 employed at the Office of the United States Trustee, or any other parties in interest and/or their  
15 respective attorneys or accountants, other than as disclosed herein. Applicant has not agreed to share  
16 compensation with any other entity or person other than in the ordinary course of business with those  
17 attorneys and employees under the employment of Applicant. To the extent that any balance is  
18 owing by Debtor to Counsel for pre-petition services, Counsel agrees to waive those fees in order to  
19 facilitate appointment as special counsel in this bankruptcy case.

20 12. The professional services rendered and to be rendered by counsel are generally as  
21 described above, including the review and negotiation of offers for purchase, letters of intent,  
22 purchase and sales agreements, and related contracts; interaction with prospective purchasers,  
23 developers, and related individuals/entities; completion of and rendering advice regarding proposed  
24 sales and other business opportunities; evaluation of the claims against the bank; if the Debtor elects  
25 to proceed with any claims against the bank, to initiate and prosecute such litigation; and conduct  
26 related acts in connection with these specified activities or other matters related to the Property. To

1 the extent that the dispute with Urban Dynamic requires litigation in the bankruptcy case, Applicant  
2 also seeks Court approval for Counsel to render services related to any such litigation.

3 13. Applicant seeks to employ Counsel on an hourly basis, to be billed monthly. Applicant  
4 will seek further orders of this Court for periodic payment of the fees and costs incurred for such  
5 representation with payment to be made from the assets of the estate and/or the post-petition income  
6 of debtor and/or sources other than the Debtor. Counsel and Debtor have agreed to the terms of the  
7 representation detailed herein. All fees and costs shall be subject to Court approval.

8 WHEREFORE, Applicant prays that this Court make its order authorizing the employment of  
9 Counsel as requested herein, at the expense of Applicant and Applicant's estate, and for such other  
10 and further orders as the Court may deem proper.

11 Dated: March 9, 2010

By: /s/ Emily Chen  
Emily Chen, Responsible Individual

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